

DEPARTMENT OF SOCIAL SERVICES

(916) 323-0223



February 5, 1981

ALL-COUNTY LETTER NO. 81-9

TO: ALL-COUNTY WELFARE DIRECTORS

SUBJECT: In-Home Supportive Services Contracting/Services Bidder Information Requirements

REFERENCE:

This letter concerns a recent change in the provisions of the Welfare and Institutions Code governing county contracting for In-Home Supportive Services (IHSS), the DSS requirements for implementing the change, and provides additional information about bidding requirements in all county contracts.

1. The change results from legislation (AB 1644, Knox) which was recently passed to amend Section 12302.1 of the Welfare and Institutions Code. Under this legislation, contracts for the provision of IHSS may now be renewed after the first term (usually one year) without rebidding, for up to one additional year. The legislation is effective on an urgency basis, and will cover all contracts with starting dates after September 18, 1980. Therefore, contracts entered into prior to this date are not eligible for renewal.

Counties which opt to renew the contract for an additional year can negotiate a new contract rate. Costs can increase based on only the following:

- Actual increased expenditures by the contractor, as documented by the county.
- Changes in federal, state or county program requirements.
- State and federal minimum wage and contractual step merit increases.
- Changes in statutory taxes.
- Changes in insurance costs.
- Other reasonable costs over which the contractor has no control.

2. Counties which opt for a negotiated renewal should request state approval to renegotiate 120 days before the expiration of the contract. Upon state approval, the county shall negotiate the renewal with the contractor based on the above criteria, and submit to the state, the contract renewal document, the details of any programmatic changes, the renegotiated budget, and any information to justify necessary and prudent cost increases. Any cost increases should be backed by a county audit, or other detailed review of contractor expenses. This information must be submitted to the state at least 60 days before the date of renewal.

If the county is unable to negotiate successfully, or the state does not approve the renegotiated contract, the county may request an extension of the current contract, for a period not to exceed three months after the original termination date, to allow sufficient time for new bidding, and to assure program continuity and quality of care.

Counties should send requests for renewal, and all renewal documents to:

Contracts Bureau
M.S. 14-60
Department of Social Services
744 P Street
Sacramento, CA 95814

This legislation was passed in order to provide greater program continuity and lessen the amount of time and effort spent by counties in the yearly bidding process. In order for the legislation to be successful, counties must remain diligent in keeping program costs at a reasonable level.

3. This letter also serves to remind and reemphasize the counties' responsibility to provide sufficient information to potential vendors for social services, professional studies, and other management services contracts, in order for vendors to make responsive, responsible and competitive bids.

Potential vendors in the In-Home Supportive Services Program have complained that the information necessary to make a truly competitive bid has not always been available. Compliance with DSS Manual of Policies and Procedures Section 10-203.22 requires counties to obtain relevant information from existing contractors for use by all bidders, and to verify, as part of their regular program evaluation and auditing functions, the accuracy of this information. In the IHSS program, for example, such relevant information might include:

- Number of employees
- Seniority of employees
- Percentage of part-time employees
- Pay rates
- Turnover rates
- Vacation accrual
- Training wages paid
- Training hours performed
- Actual mileage
- Actual hours of services expended

Counties should have most of the relevant information available as part of the Invitation for Bid (IFB) Package. (The attached page from the Stanislaus County IFB is a good example.)

Other informational needs may come out during bidder conferences. Here the county should judge the relevance of the information sought in creating a competitive bidding atmosphere. If relevant, the county should require the existing contractor to provide the information for dissemination by the county to all bidders in a timely manner.

In addition, counties should specify, in both contracts and IFBs, the contractor's responsibility for providing relevant information to the county for the next bidding cycle.

This clarification is made to keep the contracting process truly competitive. It and AB 1644 implementation procedures will be formalized in upcoming changes to the contract regulations of the DSS Manual of Policies and Procedures.

If there are any questions concerning these or other county/third-party contract policies, please call Dennis Gilliam at (916) 323-0223.

Sincerely,



for CLAUDE E. FINN
Deputy Director
Administration

Attachment

cc: CWDA

The In-Home Supportive Services Program in Stanislaus County during the months of July through October 1979 averaged 1,419 In-Home Supportive Services cases per month representing an average monthly total of 17,229 hours.

It is estimated the In-Home Supportive Services providers will travel an average of 18,126 miles per month for which reimbursement must be made at the rate of \$0.23 per mile.

(As of November 30, 1979)

Number of Employees

1. <u>Classification</u>	<u>New Hire</u>	<u>Beginning 4th Month</u>	<u>Beginning 7th Month & Over</u>
Vocational Trainee	141		
Vocational Assistant	20	18	31
Homemaker	-	4	48
Homemaker Supervisor	1	-	7

Training Status of Present Employees

2. <u>Training Hours Completed</u>	<u>Employees</u>
0-5	123
6-10	6
11-20	21
21-30	33
31-40	11
41-50	34
50+	34

Vacation Benefits

3. Vacation benefits should be computed for all Homemaker Supervisors and providers.

During November 1979, there were 34 providers (in addition to supervisory staff) working in excess of 120 hours per month.

The pay scale to be in effect under the proposed Contract will be the following: (This is taken from Item 71(R) of the proposed Contract; please refer to that section for additional details.)

<u>Classification</u>	<u>Step I Hire Rate</u>	<u>Step II Beginning 4th Month</u>	<u>Step III Beginning 7th Month</u>	
Vocational Trainee	\$3.10	-	-	
Vocational Assistant	3.20	\$3.25	\$3.30	2
Homemaker	3.40	3.45	3.50	4
Homemaker Supervisor	4.05	4.15	4.30	1